

**Amendment No. 1 to HB0232**

**Rhinehart  
Signature of Sponsor**

**FILED**

Date \_\_\_\_\_

Time \_\_\_\_\_

Clerk \_\_\_\_\_

Comm. Amdt. \_\_\_\_\_

**AMEND Senate Bill No. 203**

**House Bill No. 232\***

by deleting all language after the enacting clause and by substituting instead the following:

**SECTION 1.**

(a) The general assembly finds that:

(1) Approximately one in four residents of Tennessee have no or wholly inadequate prescription drug insurance coverage.

(2) These uninsured residents pay excessive prices for prescription drugs, far higher prices than are paid by managed care organizations, insurance companies and the federal government for the same medicines and dosages. In many cases, these excessive drug prices have the effect of denying residents access to medically necessary care, and thereby threatening their health and safety.

(3) Many residents require repeated doctor or medical clinic appointments, having gotten sicker because they cannot afford to take the prescriptions prescribed for them. Many residents are admitted to or treated at hospitals each year because they cannot afford the drugs prescribed for them that could have prevented the need for hospitalization. Many others enter expensive institutional care settings because they cannot afford their necessary prescription drugs that could have supported them outside of an institution. In each of these circumstances, state medical assistance programs, including the medical assistance program, literally pay the price.

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(4) One major reason uninsured residents pay so much for prescription drugs is that, unlike insured residents, they have no prescription benefits manager negotiating a fair price with the drug companies on their behalf.

(5) The state government currently provides prescription drugs and acts as a prescription benefit manager through a variety of health plans and assistance programs.

(6) The state government may be the only agent, as a practical matter, that can play an effective role as a market participant on behalf of all residents who are uninsured or underinsured. In this role, the state would act as a prescription benefit manager, negotiating voluntary drug rebates and using these funds to reimburse retail pharmacies for offering lower drug prices.

(b) Recognizing that the state already acts as a prescription benefit manager for a variety of health plans and assistance programs, new populations could be covered by expanding the state's role as a participant in the prescription drug marketplace, negotiating voluntary rebates from drug companies and using the funds to make prescription drugs more affordable to Tennessee residents. Such a program would improve public health and welfare, promote the economic strength of our society, and substantially benefit state health assistance programs, including the medical assistance.

SECTION 2. There is hereby created a special joint committee to study the feasibility and fiscal impact of establishing a prescription drug assistance program open to all Tennesseans. Such program should feature discounts on prescription drug prices for

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consumers and should be established in conjunction with a rebate program involving prescription drug manufacturers.

SECTION 3. In the course of its deliberations, the special joint committee shall study the experience of other states in establishing prescription drug assistance programs and examine such states' mechanisms for providing such assistance to the uninsured and underinsured, low-income elderly persons, persons with disabilities and other populations on a statewide basis.

SECTION 4. The special joint committee shall consist of five (5) members of the House of Representatives and five (5) members of the Senate, to be appointed by the respective speakers.

SECTION 5. All appropriate state agencies shall provide assistance to the special joint committee upon request of the chair.

SECTION 6. All legislative members of the special joint committee who are duly elected members of the General Assembly shall remain members of such committee until the committee reports its findings and recommendations to the General Assembly.

SECTION 7. The special joint committee shall be convened by the member with the most years of continuous service in the General Assembly, and at its first meeting shall elect a chair, vice-chair, and such other officers the committee deems necessary.

SECTION 8. The special committee shall timely report its findings and recommendations, including any proposed legislation, to the One Hundred Second General Assembly no later than February 1, 2002, at which time the committee shall cease to exist.

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SECTION 9. This act shall take effect upon becoming law, the public welfare requiring  
it.